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ABSTRACT

Too much of the debate over the five-year, 30 billion dollar program of State and Local Assistance has focussed on its presumed or theoretical impact. Too little has dealt with what actually happens when the quarterly Treasury checks arrive at the local level. Local-level studies that are under way concentrate heavily on the fiscal impact of revenue sharing, but at least three other issues are of major concern: the amount and quality of citizen involvement in GRS decision making; the efficacy of mandated protections against discrimination; and, the extent to which GRS is being used to meet the needs of the poor and near poor. In order to clarify such issues the National Revenue Sharing Project has conducted an intensive, 18-month survey of GRS in some 60 localities. The survey was carried out by local members of three organizations. The citizen monitors worked from a very detailed, demanding survey instrument. They collected comprehensive demographic and budget data, looked into newspaper files and relevant documents, and conducted an average of 30 interviews with elected officials, department heads, media representatives, and community leaders. Their submissions enable us to make important judgments as to how the GRS program is working at the local level. The present report covers the results of the project survey of 26 medium and large cities and seven urban/suburban counties. (Author/JM)

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General Revenue Sharing In American Cities: First Impressions

The National Revenue Sharing Project
of the
League of Women Voters Education Fund • National Urban Coalition
Center for Community Change • Center for National Policy Review

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December, 1974

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GENERAL REVENUE SHARING IN AMERICAN CITIES: FIRST IMPRESSIONS[1]

Too much of the debate over the five-year, $30 billion program of State and Local Assistance (General Revenue Sharing)--soon to come up for renewal--has focussed on its presumed or theoretical impact. Too little has dealt with what actually happens when the quarterly Treasury checks arrive at the local level. Local-level studies that are under way concentrate heavily on the fiscal impact of revenue sharing, but at least three other issues are of major concern:

- the amount and quality of citizen involvement in GRS decisionmaking;
- the efficacy of mandated protections against discrimination;
- the extent to which GRS is being used to meet the needs of the poor and near poor.

In order to clarify these issues, among others, the National Revenue Sharing Project has conducted an intensive, 18-month survey of GRS in some 60 localities.[2] The survey was carried out by local members of three organizations--the League of Women Voters, the National Urban Coalition, and the Center for Community Change--while the fourth sponsor, the Center for National Policy Review, has been engaged in monitoring at the national level. The citizen monitors worked from a very detailed, demanding survey instrument.[3] They collected comprehensive demographic and budget data, looked into newspaper files and relevant documents, and conducted an average of 30 interviews with elected officials, department heads, media representatives, and community leaders. Their submissions enable us to make important judgments as to how the GRS program is working at the local level.

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[1]This report was prepared by Patricia W. Blair, Director of Analysis for the National Revenue Sharing Project. Although its conclusions are preliminary, the Project sponsors believe it contains field information that will be useful in the growing debate over renewal of general revenue sharing. They are therefore releasing this field report prior to consideration of the conclusions and recommendations that the sponsors intend to draw.

[2]The Project was financed by a grant from the Edna McConnell Clark Foundation, which, however, bears no responsibility for any conclusions reached.

[3]The survey instrument was developed and pre-tested in cooperation with Dr. Lawrence Susskind and his colleagues at the Harvard-MIT Joint Center for Urban Studies.

The present report covers the results of the Project survey of 26 medium and large cities (6 3% of all U.S. cities with populations of over 50,000) and 7 urban/suburban counties (see Table I).[4] In terms of population, this sample is more heavily weighted with larger cities and toward the West than a strict sample of U.S. jurisdictions would warrant. As might be expected, the emphasis on larger industrial cities, including several in the Southwest, has resulted in a higher percentage of blacks and Spanish-heritage in the sample than in the population as a whole. The results also reflect a higher-than-average percentage of population at or below the poverty level. Nonetheless, the sample appears broad enough to permit reasonable conclusions as to how General Revenue Sharing is working in urban areas, with particular reference to the three issues mentioned earlier.

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[4]Several states and a number of smaller sites were also surveyed, but complete information is not available at this time. A comprehensive report is expected in Spring, 1975.

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I

CITIZEN INVOLVEMENT

One of the most striking aspects of the GRS program is the absence of the usual checks on local governmental decisionmaking. By establishing a Trust Fund to finance the multi-year program, Congress agreed to forgo the review normally associated with its annual appropriation process. Federal oversight by Congress or the Executive has been kept to a minimum, in part by legislative intent and, perhaps in even greater part, by the philosophy of the present administrators of the program. The implicit check of voter approval of tax measures and bond issues does not operate, since GRS reaches the local level "automatically." And the periodic check provided by local elections is ineffective in the context of multiple election issues,particularly since GRS money need not be raised locally and rarely amounts to as much as 7-8% of local city budgets in any event.

The result is to place a heavy responsibility on ongoing citizen oversight to ensure that GRS funds are put to good use. Indeed, Congressional proponents of revenue sharing emphasized their reliance on the local citizenry, as in this exchange between Senators Long, of Louisiana, and Bennett, of Utah:

> Sen. Long: "...the people of each community will be far better policemen on the expenditure of their money than any committee of Congress would be."
>
> Sen. Bennett: "I agree...We have built into this bill an effective, if unusual, method of controlling the actual expenditure of these funds at the local level."

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> Sen. Long: "We will rely...heavily on the fact that (state and local governments) will inform their own people as to how they will use the money, both before and after it is spent."[5]

One crucial test of GRS, therefore, is whether or not an informed public is in fact exercising the responsibilities implicitly given it under the GRS program. The results of the Project survey suggest that citizen oversight is not--and cannot be--effective under the program as presently set up, although individual instances of citizen impact can be cited.

A. *There has been a rather wide range of citizen activity* relating to General Revenue Sharing in Project monitoring sites (see Chart II). Note, however, that much of this activity--especially the open general budget meeting required by statute--would have occurred with or without GRS.

1. Coalitions of citizens groups were formed or developed new interest in local budgets in 14 of the 33 sites. Although these groups tended to focus on the newly available GRS, the impetus for their formation was almost invariably the threat of cutbacks in federal funding for social programs and their objective was to gain more funds for "human needs."

2. Open general budget meetings were held in all but 2 or 3 sites, usually as required by state or local statute. At least 3 of the cities did not permit citizens to comment or make proposals at budget meetings, however, and few made any special effort to encourage citizen attendance or participation.

3. Special meetings or hearings on GRS were held in about a dozen sites. Four cities held special hearings only in 1973, in connection with the "windfall" GRS check that arrived too late to be considered as part of the general budget; one of the counties held a hearing only reluctantly, under citizen pressure, and has not repeated the experiment.

4. Pre-budget activity is difficult to identify but appears to exist in about 6 sites in the form of departmental advisory boards or budget hearings, individual or agency petitions at the departmental level, or neighborhood meetings on city priorities.

5. Citizen advisory boards exist or were created in 6-8 sites and are planned in 2 more. In a majority of cases, these groups were asked to devise spending priorities only for a portion, usually small, of GRS reserved for social purposes. In two cities, the advisory group was not continued beyond the first year; in none were the group's recommendations followed completely.

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[5]Congressional Record, Sept. 7, 1972, p. 14291 & 5.

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6. Opinion polls of one sort or another were taken by officials in 2 sites and unofficially by civic or political organizations in 3 others.

7. Community-based private programs were financed with GRS funds in at least 13 sites, usually by means of a contract to provide certain social services for the local government. The state legislature had to pass a special law to enable one city to make such contracts.

B. *By and large, however, citizen involvement is neither broad nor deep.*

1. Public budget hearings, though common, are of limited value as vehicles for citizen input. They normally come at the end of the budgetmaking cycle, after most important decisions have been made. Advance notice that meetings will be held can be as little as 24 hours (Los Angeles) and as minimal as a notice tacked on the city clerk's door (Pittsfield). Meetings are often held during the day, when working citizens cannot easily attend. Little or no opportunity is provided for citizens to study the budget in advance of the meeting. As little as half an hour may be allotted for all citizens wishing to speak.

Not surprisingly, therefore, attendance and citizen input at public budget hearings is usually small or nonexistent. A Racine labor leader reports: "One night I counted 11 people out of 95,000 population." From Detroit, a city of 1.5 million, an official reports: "Last year 250 came and 47 participated, due to greater publicity by the city clerk." Nor is it surprising that citizens are cynical. From a Baltimore official: "There's a taxpayers' day, but it doesn't amount to anything." From a Minneapolis poverty worker: "Public hearings...just give citizens a chance to yell." From a Westchester County businessman: "Public hearings are a safety valve--not as effective as talking to the right people on the inside." From a Buffalo reporter: "Public input is a joke." These comments, taken from monitors' interviews, are quite typical.

2. Special GRS hearings, especially if called under community pressure, fare somewhat better. When GRS became an active political issue in St. Louis County the hearing was very well attended, even though it was held in the middle of a rainy Holy Thursday. (County officials have not chanced any GRS hearings since then, however.) On the other hand, GRS hearings unaccompanied by special efforts to publicize them can be poorly attended. A Cedar Rapids reporter notes: "At the first hearing, no one showed up; at the second meeting, one person from the public showed up."

3. Citizen advisory groups, even where they exist, have little real power. Their function may be to make recommendations for allocating a limited amount of money among many claimants--thus relieving public officials of the political burden inherent in such decisionmaking. In

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Los Angeles County, for example, the proposed Advisory group will have to screen 399 proposals from community agencies. Indeed, Onondaga County's chief executive acknowledges that the advisory committee formed by United Way (at his request), "did leg work which the county executive couldn't do."

Furthermore, advisory groups may not be representative of the community as a whole. Civic leaders interviewed in Buffalo, for example, seemed generally unaware that the mayor has appointed a citizen advisory committee which meets 30 to 35 times a year; the local Citizens Committee on Revenue Sharing, representing over 30 community groups, is not involved. In Los Angeles County, the proposed Advisory Committee on GRS for Community Organizations is presently scheduled to include only 5 members appointed by the Board of Supervisors, 1 from the League of California cities, and 3 social service suppliers--hardly a broad-based group for a county of 7 million. Denver's Citizens Federal Grant Advisory Council cast a wider net, with 13 City Council appointees, 8 mayoral appointees, and 10 chosen by the mayor from a list of 15 nominees of the Citizens Coalition on Revenue Sharing; it has been discontinued, however.

4. Opinion polls, by definition, seek majority wishes and may not reflect the concerns of minority communities. The Cedar Rapids questionnaire seeking citizen opinions reached only property owners, since it was enclosed with the city water bills. In Jefferson County, citizen opinion was sought only through newspaper readers.

5. An additional caveat is necessitated by the nature of the Monitoring Project: The very existence of an extensive citizen conducted monitoring effort in Project sites has tended to generate more citizen interest and activity than would otherwise have occurred. Many monitors spoke at local meetings, participated in local coalitions, or provided research support to such groups. In Louisville, the monitoring group helped to organize a well-attended workshop on GRS sponsored by the City Council and a local school of social work. The monitoring group in St. Paul is developing a "citizens' guide to city budgeting." In Cleveland, the monitors were instrumental in extending the city's regular budget hearings to allow for citizen comment. Monitors have been interviewed by local press and radio in many sites; their findings and recommendations have been distributed widely and reported by the press, sometimes prominently, in at least 12 sites. All in all, it is fair to say that there would have been considerably less citizen activity and awareness in about half the sites if the monitoring effort had not existed.

C. *Citizen activity does not translate into citizen impact with any regularity*

1. Citizen activity may have produced some change in GRS allocation and/or decisionmaking in 5-6 cities and 4 counties. In Seattle, Denver, Cedar Rapids, San Antonio, and Jefferson County, citizens obtained funding for social services that might not have been forthcoming otherwise. In Pittsfield, Denver, Buffalo, Los Angeles County and

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Onondaga County, citizen advisory groups were formed, although the Buffalo group (on the general budget) appears to have been appointed to head off grass-roots pressure rather than to accommodate it. In St. Louis County, citizen impact was essentially negative, in that it succeeded only in blocking county plans to use GRS monies to build a golf course.[6]

2. Local organizing helps. There was an active citizen coalition--either broad-based, as in Denver, or special-interest, as in the Cedar Rapids Associated Groups of the Elderly--in 8 of the 10 sites where citizen impact was visible. Furthermore, adequate support, in the form of staff, money, and technical assistance, appears to enhance the chances of success. Coalitions in 4 of the 10 sites mentioned were receiving technical assistance from the Center for Community Change. In the absence of official encouragement of citizen involvement, citizen coalition-building appears to be the most effective route to local impact, particularly if the coalition has paid staff and/or aid from national headquarters. However, it should be noted that coalition-building does not guarantee impact. In half the sites with coalitions, little or no change was evident.

3. Official attitudes toward citizen involvement are ambivalent. On the one hand, elected officials proclaim their willingness to listen, if approached. They complain of citizen apathy or inability to understand "complicated" budget matters--and it is true that citizens rarely take full advantage of their opportunities to influence local decisionmaking. On the other hand, far fewer officials are eager for citizen involvement outside of the normal electoral process. The majority of sites holding special GRS hearings did so either under community pressure or simply because the first GRS checks came too late to be included under regular budget procedures. Non-binding opinion polls, neighborhood meetings, and appointed advisory groups are acceptable in some cases, but in Denver and Richmond the latter fell into disuse when they pressed for stronger roles in decision-making.

[6]Two interesting examples of citizen impact occurred in Project sites that are not included in the overall statistics presented here. In Greenville, Miss., opposition to plans for using GRS to build a civic center ultimately led to a referendum, in which the proposal was defeated by a 2 to 1 margin. The Project monitor reports:

> The campaign produced strange bedfellows, as $35,000-a-year white homeowners discussed the importance of alternative uses of revenue sharing with housewives. Black contractors joined... large white commercial interests in supporting the project. All in all, it was a remarkable experience--one which Greenville may not see again for some time.

In Window Rock Navajo Reservation, where unemployment hovers at 60%, local tribal chapters "perhaps for the first time" influenced tribal Council action. They convinced councilmen to turn over half the Reservation's GRS for projects of the chapters own choosing. "For once," the monitor notes, "the chapters have some money to work with."

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4. If citizen oversight is to continue as the chief implicit assurance that GRS money is well spent, substantially more attention must be paid to obtaining citizen involvement beyond the regular election process (when GRS is seen as a minor, if not nonexistent, issue). It is clear that general budget hearings come too late in the decisionmaking cycle to permit meaningful citizen impact. When asked for their own recommendations, Project monitors were unanimous in feeling that citizen involvement should be made mandatory, though many were skeptical of the value of a general requirement. Eight of the 20 responding called for a citizen advisory board of some kind, 4 for special GRS hearings, and 3 noted the importance of pre-budget citizen input. The Westchester County monitors note: "It is our contention that true public participation starts with the preparation of the budget, not the publishing of it."

D. *Lack of citizen initiative may well be related to a lack of information.*

1. Planned and actual use reports, which must be filed with the ORS and published locally for each of the 7 "entitlement periods" between 1972 and 1976, are the only federally mandated forms of public information on GRS. (see Appendix) They are less than satisfactory vehicles of information:

(a) They are usually placed with the legal notices, often much reduced in size; in Wilmington, the planned use report was mixed in with the want ads. (see Appendix)

(b) Even if seen, planned use reports often bear little relation to actual use reports, with no evident reason for changes. Of 30 PUR/AUR sets for Jan-June '73, 10 showed funds expended in fewer categories than planned, 11 in more categories; only 14 of 33 sites had obligated more than half their funds by the end of the reporting period. Although some Congressmen appear to have contemplated publication of revised Planned Use Reports, the guidelines of the Office of Revenue Sharing do not require updating and localities have not felt obligated to do it on their own.

(c) Reporting categories are too general to be meaningful. They are divided only into gross categories of "operating and maintenance" and "capital" expenditures, with 8 subheads corresponding to the 8 priority categories mentioned in the Act[7] along with a few additional subheads (including education) permitted on the capital side. Thus, capital expenditures on land for "recreation" encompasses both preserving a wilderness area (Phoenix) and a revenue-producing golf course (St. Louis County).

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[7]Public safety, environmental protection, public transportation, health, recreation, libraries, social services for aged and poor, financial administration.

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(d) The ORS reporting forms, both actual and planned, have been revised to drop the original distinction between new and ongoing activities and the original detail on type of capital expenditure. While this simplifies reporting requirements, it does away with the most useful information supplied by the old forms. The revised reporting forms now require an indication of where back-up data is available "for public scrutiny"--a useful addition--although the absence of a requirement that backup data include meaningful description means that much of it is not useful to the lay citizen.

(e) Most importantly, GRS funds are "fungible"--that is, they need not be used for new projects, but may instead "free up" funds from the regular budget for use elsewhere. This means that reported use may not reflect--may even mask--real use to lower taxes, to support non-priority projects, etc. The Executive of Erie County says frankly:

> "When people ask me what we are doing with Federal Revenue Sharing...I simply answer that we are continuing $10 million a year worth of Health, Social Services, Public Safety and Capital programs that we would otherwise have to cut. Or, alternatively, we are using it to offset increases in salaries,retirement, and Social Security and debt service, in an attempt to hold our head above water."

He might equally have said, we are using GRS to avoid asking for an increase in taxes of $10 million. Or, alternatively, we are using it to pay for the $10 million worth of lowest priority items in the budget, which we would otherwise have eliminated.

2. Media coverage of local GRS decisionmaking has been spotty, at best, and media representatives interviewed by Project monitors showed remarkably little familiarity with the program (see Chart III). Preliminary analysis of press coverage in Project sites indicates:

(a) A declining monthly average of news items having anything to do with revenue sharing (see below).

(b) An average of only 1.2 newspaper items per month per site referring to local GRS decisionmaking or related citizen activity--even when St. Louis County, where a hot political issue generated 100 local items in 1973, is included. (The remaining items related to passage of GRS, simple announcements of check receipts, items concerning special revenue sharing, official comment from Washington, etc.)

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News Items Per Site Per Month[8]

	1972 (4 mos.)	1973	1974	Total (25 mo.)
All Stories	3.3	2.3	.6	1.8
Local Stories	1.6	1.5	.4	1.2

(c) minority, foreign-language, and neighborhood press have all but ignored GRS; editors of such papers rarely recall having received notices relating to GRS from local officials, although such notices are required under ORS regulations;

(d) radio and television coverage of GRS is infrequent or nonexistent; broadcasters say that budgetary matters do not lend themselves to these media and/or that citizens aren't interested in budgets.

3. Other materials have been produced in a few sites on an ad hoc basis, usually by citizen coalitions (see, for example, "Directions for Decisions," a report from the Seattle Citizens Congress on Revenue Sharing and Social Need, May 1973) or by national offices of local organizations (see, for example, "Revenue Sharing and the Elderly: How to Play and Win," by the National Council on the Aging; "Chapter Action Handbook: Federal Revenue Sharing," by the National Organization of Women). These seem to have been distributed to interest groups, often in connection with a workshop or citizen meeting. They vary widely in quality and outreach.

4. General Budget information, in a form comprehensible to the layman, is as hard to come by as information on general revenue sharing. The government of Richmond publishes an attractive newspaper supplement on its proposed budget, and private funds subsidize the broadcasting of budget debates on educational TV. Denver and Seattle put out helpful summary budget booklets. In San Antonio and several other sites, budgets are of the modern "program" type which, if citizens take the trouble to obtain and read them, are somewhat easier to understand than traditional "line-item" budgets. For the most part, however, general budgets remain the arcane province of budget officials who believe that these matters are "too complicated" for the average citizen.

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[8] 27 sites: Los Angeles/Los Angeles County, Syracuse/Onondaga County, Louisville/Jefferson County, Buffalo/Erie County counted as one site each; clippings for Phoenix and Brownsville/Cameron County not available.

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Where GRS is, in effect, folded into the local general budget, information on it can be lost completely. The Westchester monitors report: "In six months of researching our County's budget, we have not been able to identify specifically where this money was spent." When asked whether information is more available on GRS or the general budget, the typical comment of Project monitors was, as in Minneapolis, "there is very little available about either."

5. In light of the relative paucity of sources of information, it is not surprising that citizens tend to be unaware of how GRS is affecting their community. When asked about GRS, even community leaders and media people, presumably more aware than the man in the street, show visibly less general knowledge than elected officials and local fiscal officers--though only somewhat less knowledge than operating bureaucrats, who frequently do not even know that their own department has (technically) received funds. Furthermore, among community leaders, minority and poverty leaders, as well as minority and neighborhood media representatives, show markedly less knowledge than others. (see Chart III)

If local officials are to be held accountable by local citizens, then those citizens must have more information on which to base their judgments. At minimum, official reporting requirements must be made more meaningful, perhaps through a requirement for specific project descriptions. Even this reform, however, would not necessarily clarify the true impact of the highly fungible GRS dollars.

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II

PROTECTION AGAINST DISCRIMINATION

In conformity with the GRS law, the ORS requires an official assurance that nondiscrimination requirements are being met at the local level. Nevertheless, the monitors' submissions contain a good bit of evidence that these assurances are unreliable. Indeed, by doing nothing to mitigate existing discrimination, GRS funds can be said to be contributing to its continuation.

A. Discrimination at the Local Level is Evident

1. In public employment, discriminatory patterns are well documented in the 10 sites for which we have public employment figures. As might be expected, there are proportionately too few women and minorities in local government jobs. This is especially true in the police and fire departments that tend to receive large chunks of GRS money.

- New Orleans, for example, has a 50% minority population, but employs only 21% minorities in its police department and 2.9% in its fire department. Public safety is the largest single category of GRS expenditures.

- Louisville, with 24% minority population, has only 8.2% minority representation in its police department, 7.6% in its fire department, and 7.4% in its health department. Public safety and health are the two largest recipients of GRS money.

- Only two of the 10 sites (the suburban counties of Westchester and St. Louis) employ more than 40% women in any capacity.

- Median salaries for both women and minorities are about $2,000 lower than those for white males, indicating that the former tend to be concentrated at the lower end of the salary scale.

2. In private contractor employment, our information is much sketchier. Local governments usually require contractors to sign an assurance of non-discrimination, but follow-up to assure compliance is uncertain in many cases. It should be noted that the Department of Labor, after exhausting its avenues for voluntary compliance, has felt obliged to issue "mandatory hiring goals" for minority employment in certain construction crafts in 5 Project sites. Low wage patterns may be less of a problem, since local trade unions often take responsibility for policing violations of the Davis-Bacon Act.

3. In public services and facilities, 17 out of 26 monitoring submissions contain suggestions that poor and minority areas are not receiving services on a par with the rest of the city. Police protection and garbage pickup are mentioned most frequently, although this form of discrimination is extraordinarily difficult to document. A federal suit charging discriminatory police protection has apparently been brought against the police in Baltimore, where public safety is the largest recipient of GRS.

B. *Compliance mechanisms are inadequate.*

1. At the local level, at least 22 of 26 cities and 2 of 4 counties have some form of human rights commission or equal employment office. Cedar Rapids hired an affirmative action officer only in 1974, and Westchester County is now looking for one. (In neither case is there any reason to attribute this action to the onset of GRS.) There is little indication that these officers are strong or effective, however, although there is considerable assumption among government officials and non-poor, non-minority citizens that problems of discrimination are being taken care of.

Most striking is the almost total lack of awareness, even where human rights officers exist, of any local responsibility toward the nondiscrimination provisions of the GRS law. Only 52% of human rights officers interviewed had a reasonably accurate idea of how GRS was being used in their community; many fewer (perhaps 1 or 2) had any review responsibility for use of GRS moneys. The comment of St. Paul's Human Rights Department director is typical: "The compliance relation to GRS has never been mentioned to this department."

Regardless of any changes that may be made or needed in the enforcement procedures of the ORS in Washington (which local monitors did not treat), it is clear that considerably more attention must be paid to compliance mechanisms at the local level--

- to ensuring that there are local compliance officers in those cases where they do not already exist;

- to informing local compliance officers of their responsibilities under GRS;

- to letting local citizens know where to bring anti-discrimination complaints or comments.

2. Actual and planned use reports required by the Office of Revenue Sharing theoretically contain civil rights assurances, but there is a curious discrepancy in phrasing. The planned use report requires the chief executive officer to "assure the Secretary of the Treasury that the non-discrimination and other statutory requirements...will be complied with..." However, in the actual use report, the simple statement "non-discrimination requirements have been met" appears above a certification referring to unrelated matters. In any event, no indication is required that any specific individual or office is responsible for compliance or prepared to receive citizen complaints.

3. Court action relating to public employment has been brought in at least 12 sites either by the Department of Justice or by private citizens (see Chart IV). These cases suggest, at minimum, presumptive evidence of discrimination. At least one of these suits (Memphis) includes a count indicating that GRS has been used by city departments charged with discrimination. In such cases, however, the ORS has indicated extreme reluctance to withhold GRS funds, despite a court finding that this remedy is permissible pending the outcome of administrative proceedings on civil rights matters.[9] (Interestingly, ORS is willing to hold up GRS quarterly payments when jurisdictions fail to file reporting forms on time; over 2,800 third-quarter payments were withheld this year, to be released only after reporting requirements were complied with).

4. Complaints to the ORS have been submitted by citizens in 4 Project sites.(see Chart IV) Similar complaints are known to have been threatened in another site and to be under consideration in at least 2 more. These complaints have related to discrimination in public employment or, in the case of Baltimore, to an undercount of minorities (which affects GRS allotments). None among Project sites have related to services or facilities, which are much more difficult to document.

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[9]Robinson v. Shultz, Fed. Dist. Ct. for D.C., Civil Action # 74-238, opinion dated April 4, 1974

The fact that relatively few complaints have been submitted to ORS from project sites does not signify absence of problems of discrimination, as already noted. Among more likely explanations are: difficulty of proof; discouragement at the length of time and effort required for remedy; willingness to seek other avenues for relief (including impact on local political processes); and/or unawareness that legal remedy is available. In the absence of effective local compliance mechanisms, however, administrative complaints and litigation are likely to become more frequent.

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III

EXPENDITURE TRENDS AND RESPONSIVENESS TO HUMAN NEEDS

Are local governments, when given fiscal aid and left essentially to their own devices, prepared to mount substantial programs to meet the needs of their most disadvantaged citizens? The response to this question will weigh heavily in assessments of the need for the Federal government to continue to fund social programs directly. It is important, therefore, to attempt to gauge the extent to which GRS has encouraged local programming to meet human needs. This task is made inordinately difficult by the extreme fungibility of GRS dollars, making true expenditure patterns hard to pin down. It is compounded by the difficulty of identifying concurrent local cutbacks in related Federal programs, especially cutbacks in funding of nongovernmental agencies. The following comments are, therefore, highly tentative.

A. *Net fiscal effects of GRS bear little relation to the program categories used for reporting purposes.*

Richard Nathan, of the Brookings Institution, has identified 10 general "net fiscal effect" categories of GRS use (see Table V). The reports of Project monitors confirm the importance of these effects. Insofar as local citizens--official or private--are aware of GRS, it is these true effects they tend to cite (unless their own department or organization received GRS funds or helped allot them). Thus, the reports of Project monitors suggest that the chief real use, or primary net effect, of GRS in 1972-73 was:

> To support or balance the general budget and/or pay for salary increases: 8 of 23 cities (Los Angeles, Detroit, Baltimore, Cleveland, Seattle, Nashville, Minneapolis, Wilmington) all but the last with over 100,000 population.
>
> To reduce the backlog of projected capital investment (new or refurbished buildings, land acquisition, etc.):

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8 of 23 cities (San Antonio, Memphis, New Orleans, Denver, Louisville, Pasadena, Cedar Rapids, Pittsfield) usually on the ground that GRS might end in 1976 and should therefore be used only for "one-shot" projects. (Use of GRS for capital projects also holds down the need for local bond issues, thus having an indirect effect on future tax rates by limiting debt servicing.) In some instances, the capital projects undertaken had been previously rejected in local referenda.

To reduce property taxes: 7 of 23 cities (Phoenix, Buffalo, St. Paul, Des Moines, Syracuse, Bridgeport, Racine) the majority with less than 250,000 population. In addition, 13 of the cities report that GRS served to prevent taxes from rising or to lower the rate at which taxes were raised.[10]

B. *Use of GRS for budget support may be growing.*

By 1973-74, monitors' reports indicate that 5 cities (Denver, New Orleans, Louisville, Pasadena, Seattle) switched from capital or new projects to general budget support; Des Moines from tax reduction to capital projects; St. Paul and Racine from tax reduction to budget support. This tends to confirm reports of a national trend toward using GRS to mitigate the effects of inflation. This trend is not so evident in the 1973-74 planned use reports, however; of the 23 cities for which we have both 1972-73 and 1973-74 planned use reports, 6 raised the percentage of GRS devoted to operating funds but 5 lowered the percentage. 1974-75 reports may provide a clearer picture.

C. *Planned and actual use reports emphasize public safety and show little support for social services.*

Elected officials can be presumed to want to put the most attractive face on any reporting to the general public. Thus, despite their deficiencies as sources of information, planned and actual use reports may offer clues to community pressures--or at least to the officials' perceptions of these pressures. If this is so, one can say that public safety represents the overwhelming "felt need" at the local level, and that the social needs of the poor and near poor figure hardly at all.

1. Public safety is the largest single expenditure

(a) reported as planned through June 1973 in 16 of 23 cities, 4 of 6 counties for which we have documentation, averaging 75% of total GRS allotments for those sites; (3 sites did not submit PURs for this period).

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[10] Oakland and Richmond had not used any of their 1972-73 GRS by June 30, 1973; Brownsville data is not available.

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(b) reported as actually spent through June 1973 in 17 of 26 cities and 1 of 6 counties, averaging 76% of total expenditures for the period in those sites.

(c) reported as planned for 1973-74 in 18 of 26 cities and 2 of 6 counties, averaging 70% of total allotments for the period in those sites.[11]

2. Social Services expenditures are minor (see Chart VI)

(a) For January-June 1973, 6 of 23 cities planned to spend an average of almost 13% of total GRS allotments on social services. However, this average would be as much as two-thirds lower if 1972 allotments were included. (Reporting on planned use for 1972 was not required, apparently through a printing error on the forms distributed by the ORS.) When the total allotted to social services is averaged over all 26 sites, the average planned expenditure for social services falls to 3% for the six-month period.

(b) Actual Use Reports for 1972-73 show even less attention to social services. Of the 6 cities cited above, 5 had not actually spent any money in this category by June 30, 1973. (Richmond planned to spend 31% of its first GRS allotment on foster care and general relief, but then discovered that direct welfare payments were impermissible and had to change its plans.) Pasadena spent almost 10 times more than planned, reaching a level of 4% of its total GRS allotment. In addition, Phoenix, which had planned to spend nothing, now has just over 1% as expended for social services. Minneapolis shows 28%, but neither the monitoring team nor the relevant department has been able to uncover any detail.

(c) By 1973-74, 13 of 26 cities planned to spend an average of 5% on social services, which represents some improvement in "image" if the shortfall of the previous actual use reports is not repeated.[12] Five of these cities will use all or part of GRS to cover new social services. This slight trend toward allotment of GRS funds to social services may indicate growing political effectiveness of poverty interests at the local level. Again, it may be a local response to criticism by national organizations and some Congressmen that the poor are being short-changed by GRS.

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[11] An alternative explanation for the preponderent popularity of public safety may be a relative ease in establishing the "audit trail" required by ORS regulations.

[12] Five of the 10sites for which we have 1973-74 Actual use reports indicate higher-than-planned social service expenditures. The Planned and Actual use reports are not directly comparable, however, since the reports of actual use do not cover the same sums of money as do planned use reports for the same period.

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3. Some expenditures in favor of the poor and disadvantaged have been concealed under other headings of the Actual and Planned use reports, although in sum they do not seem to contradict the generalization that social needs have been neglected under GRS. Among such allotments (both capital and maintenance) in Project sites are:

Public safety: a juvenile delinquency program (Nashville), a new fire station "across the tracks" (Louisville);

Public Transportation: a bus service for the elderly (Cedar Rapids), mass transit subsidies (Richmond and Los Angeles), improved streets in minority areas (Phoenix and New Orleans);

Health: neighborhood health programs (Denver, San Antonio); drug-abuse prevention (St. Louis County)

Recreation: playground improvement (Richmond), new swimming pools (Minneapolis, Syracuse), air-conditioning a senior citizen center (Cedar Rapids)

Libraries: a mobile library program (Memphis), a new library in the inner city (Minneapolis)

Financial Administration: a contingency reserve to replace federal cutbacks if needed (Onondaga County)

Social Development: expansion of a senior citizen center (Pasadena)

Education: air-conditioning public schools (Richmond)

Housing and community development: a housing rehabilitation trust fund (planned by Seattle, but running into legal complications)

D. *County vs. City "responsibility" for social services is an issue in some areas.*

1. Monitors' reports appear to suggest that the counties, which have traditionally been responsible for social services, have more consistently spent some of their GRS money for these purposes. However, actual and planned use reports from Project counties do not show any higher rate of social service expenditures than do those from the cities. Of the five counties for which detailed information is available, Onondaga County appears to have spent some $640,000 (8% of its total GRS allotment for 1972-73) and St. Louis County $100,000, or 1.5% of its total for Jan-June 73. Jefferson County planned to spend $250,000. Although Los Angeles Co. has promised to allocate $22.5 million (25% of one year's GRS) to a "GRS Program for Community Social Services Organizations," none of the money had been committed as of October 1974. Closer analysis may provide a clearer picture of the extent to which counties are enlarging social service programs with GRS funds.

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2. Some observers suggest that the cities may be spending more on social programs from their general budgets, while using GRS for other things. There is occasional evidence for this. For example, city officials in Denver say that the $12 million in GRS transferred to the general fund to reimburse the Fire Department released money that paid for, among other things, $1 million in tax refunds to the elderly, $2 million for the neighborhood health program, and lesser amounts to several social service agencies. Nevertheless, monitors' submissions do not support a contention that municipalities allocated substantially more to social services than they would have in the absence of GRS. Indeed, it is clear that many city officials--despite years of federally funded social programs administered in and by cities--continue to see their functions as narrowly traditional, centering on public safety, roads, sanitation, and the like. As one monitor reports: "City officials are fond of thumping their copy of the State Code and declaiming, 'nowhere in here does it say we have to fund social programs.'"

E. *Federal categorical program cuts are beginning to hurt*

1. Substantial cuts were projected in President Nixon's 1972-73 budget. At the local level, however, federal "pipelines" were still flowing. Budget data from Project sites seems to indicate that, except for housing, categorical funds previously obligated in Washington were still reaching the localities; that some programs had been "stretched out" over 18 months instead of 12; that some impoundments were rescinded as a result of legal action; and that some threatened cuts did not materialize after all. This may be one reason that so little GRS was spent on social programs in 1972-73.

2. Where federal cuts did appear, several cities used part of their GRS allotments to restore them. Phoenix appears to have put aside some $100,000 to replace OEO programs, and Richmond set aside about $500,000 to cover threatened Model Cities cuts which did not eventuate. Los Angeles joined with L.A. County to cover some losses of the Greater Los Angeles Community Action Agency and Louisville is considering a similar city/county program to make up for OEO funds. San Antonio used general funds as well as GRS to continue 75% of the community-based agencies that had been funded under Model Cities. Other sites picked up individual programs, among the most popular being summer youth employment. It is difficult to put an exact figure on these sums, in part because federal commitments--and related parts of city budgets--appear to be in a constant state of flux.

3. The limited 1974-75 data we have obtained indicates that deep federal program cuts are beginning to appear at the local level. In Des Moines, for example, the Community Development Office will have to make do with $2.5 million in 1974, a 68.4% reduction over 1973; the Concentrated Employment Program was luckier--it will suffer a cut of only 12.5%. Erie County's 1974 budget reports a $4 million loss in "federal aid and revenue sharing," even after including its 1972-73 GRS "windfall" of amost $10 million. Federal funding of the Seattle Community Development Department appears to have fallen about 30%, while

the city is making up less than a fifth of the shortfall; the Executive Department, which in Seattle includes the Model Cities program, fared even worse in 1974, with a $16 million cut (60%) entirely accounted for by a fall in non-city funds. (Manpower and community development special revenue sharing will apparently maintain these programs at 1974 levels, at best.) Local 1974-75 budgets should therefore provide clearer answers as to whether local governments are prepared to mount more substantial social programs in the face of much-reduced federal funding.

4. The previous comments refer to city-run programs. Non-governmental agencies associated with OEO and Model Cities had begun to feel the pinch by 1973. For example, in San Antonio, social services under Model Cities ended in August 1973. In Syracuse, the Model Cities Director notes that "all but 2 or 3 programs are being phased out". The Director of county day-care services in Memphis reports: "We lost 6 programs in June 1973." These cutbacks, or threatened cuts, in private programs fueled a good deal of the pressure on local governments to allot GRS to social services. There is some indication in a number of Project sites that poverty agencies mounted or encouraged campaigns for GRS funds. In Richmond, one Model Cities group even marched on City Hall. The future of community-based agencies as "vendors" of social services is in part bound up with restrictions on how local revenues can be spent (see 6b below).

F. *Legislative and Administrative restrictions tend to inhibit using GRS for social purposes.*

1. One considerable inhibition may be the Act's prohibition on direct or indirect use of GRS for matching Federal money. Matching requirements are frequently attached to federally sponsored social programs. ORS guidelines make clear that GRS may be used as additional funding once matching requirements have been met with local funds. But some local officials do not understand this, and, in any event, the prohibition appears to have made local fiscal officers nervous. At minimum, it offers local officials a good excuse to reject citizens' requests for funding of social programs. (The matching provision does not appear to inhibit spending for sewers, parks, and other capital projects that involve federal matching, perhaps because federal funds for specific capital projects are more easily identified.)

2. A further problem is that GRS moneys may not be used in ways prohibited for local funds. In some areas (but no Project site), local statutes do not permit spending for social services and state laws permitting localities to spend GRS for these purposes have been struck down. In other areas, state statutes do not permit local governments to give money to nongovernmental agencies. Seattle was relieved of this particular inhibition when the state legislature passed a law specifically permitting the city to contract with private groups for social services; other cities may not have such obliging legislatures. It is not clear whether national guidelines

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could be developed to permit GRS funding for private agencies, though in many cases it would surely be more efficent and convenient for cities and counties to contract for social services rather than establish new bureaucracies to provide them.

3. In addition, two aspects of the GRS formula appear to work indirectly against the interests of the urban poor. The first is the requirement that per capita payments to any local government may not exceed 145% of the average per capita payment to all local governments in that state. Detroit loses about $7 million a year on this basis, according to its former mayor. Baltimore, Richmond, and perhaps others have bumped into the 145% ceiling,too. Secondly, sites with large minority populations are adversely affected by an acknowledged undercount of the minority population in the 1970 Census, since population is a key element in the formula used to determine GRS entitlements. Baltimore has joined a suit originally filed against the Treasury Department by Newark in an attempt to obtain GRS based on higher population figures.[13]

G. *The interconnection among all three aspects of the original "new federalism" plan--general revenue sharing, and special revenue sharing, and categorical or block grants--cannot be overemphasized.*

Local officials almost universally say that they are making their plans for GRS in expectation of special revenue sharing to take up the slack on social needs. They will discover, however, that the two recently enacted special revenue sharing programs (manpower and community development) do not fully replace the previous categorical programs, either in size or coverage. They can be expected to press once more for larger block grants and categorical programs to fill gaps and to meet new needs as they arise.

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[13]The Navajos in Window Rock Reservation are also pressing ORS to accept higher population figures used by the Bureau of Indian Affairs and other agencies.

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IV

Finally, one may ask: Is GRS a lever, a handle, or a bust as a vehicle for harmonizing local decisionmaking with the achievement of national goals?

This question cannot be ignored, even though some proponents contend that the GRS program amounts to nothing more than a series of fiscal transfers. Any program of this magnitude will affect the national scene, if only because the federal funds available for domestic programs are, in practice, limited. Six billion dollars a year for revenue sharing is likely to mean $6 billion less for something else. It is, therefore, crucial to ask whether the program is--or can be made--consistent with other aspects of national policy.

A. *As a lever, GRS appears to be ineffective.*

It rarely amounts to more than 7% of local budgets in larger sites, and local officials appear to consider such sums too small to worry about. Erie County's Executive comments:

> "Federal Revenue Sharing has not permitted any significant new programs. Its size and impact, when balanced against the other changes that have been taking place in our revenue sharing sources, has simply not been significant enough."

Indeed, the words "ripoff," "hoax," and "shell game" seem to appear almost as frequently in the comments of mayors and other officials as they do in those of ordinary citizens.

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GRS does loom far larger in the budgets of smaller jurisdictions, where it might be more useful as a lever. But there appears to be little in the GRS legislation or administrative guidelines to actually encourage movement in the direction of social programming, civil rights, citizen participation, or, indeed, any other national goal. The reports of Project monitors tend to confirm this judgment.

B. *As a handle, GRS has greater possibilities--if GRS remains a separately identifiable pot of money.*

In some Project sites, citizens have been able to use the existence of GRS to promote greater attention to social needs, to increase citizen interest in the general budget, and, in a few cases, to open political processes to citizen participation. They have been less successful in making GRS work positively for civil rights. As the ORS itself points out, "The fact that discrimination is prohibited in 'any program or activity funded in whole or in part' with revenue sharing funds gives the Office of Revenue Sharing broad jurisdiction." But the loophole created by fungibility of GRS dollars and the reluctance of the ORS to press civil rights concerns leave questions as to how good a civil rights handle general revenue sharing will prove to be.

C. *It is probably too early to call GRS a bust.*

The chief lesson of experience thus far--if Project sites are at all representative--is that GRS puts a tremendous burden on citizens to take and sustain initiatives in order to achieve meaningful change. While GRS does not, for the most part, actively hinder citizen initiative, it does little to help, either.

When GRS is considered in terms of possible alternatives, however, judgments may become more negative. The national commitment to civil rights has been better served by other, more vigorously enforced legislation in the past. Other federal programs have generated much larger amounts and much more attention to social needs. Citizen participation is more effectively mandated in other programs, including the first two special revenue sharing bills. Thus, the "opportunity cost" of GRS may be heavy.

CHART I

NATIONAL REVENUE SHARING PROJECT SITES

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CITIES	POPULATION	% FAMILY WITH INCOME BELOW POVERTY	% MINORITY
LOS ANGELES	2,816,061	9.9%	36%
DETROIT	1,511,482	11.3	45
BALTIMORE	905,759	14.0	47
CLEVELAND	750,903	13.4	40
SAN ANTONIO	654,153	17.5	60*
MEMPHIS	623,530	15.7	39
NEW ORLEANS	593,171	21.6	49
PHOENIX	581,600	8.8	19*
SEATTLE	530,831	6.0	9
DENVER	514,678	6.8	25*
BUFFALO	462,768	11.2	21
NASHVILLE	448,003	10.2	20
MINNEAPOLIS	434,400	13.0	5+
OAKLAND	361,561	12.2	44
LOUISVILLE	361,472	13.0	24
ST. PAUL	309,980	6.4	6
RICHMOND	249,621	13.3	43
DES MOINES	200,587	6.9	7
SYRACUSE	197,332	9.8	11
BRIDGEPORT	156,542	8.6	17
PASADENA	113,327	7.7	28
CEDAR RAPIDS	110,642	5.3	1.5
RACINE	95,162	6.6	14.7
WILMINGTON	80,386	16.0	46
PITTSFIELD	57,020	5.1	2
BROWNSVILLE	52,522	40.8	85*
COUNTIES			
L.A.	7,032,075	6.9	29
ERIE	1,113,491	26.0	9
ST. LOUIS	951,353	3.6	5
WESTCHESTER	894,104	4.5	10
ONONDAGA	472,835	6.6	16
JEFFERSON	695,055	8.9	7
CAMERON	140,368	38.5	32*

Source: U.S. Census, 1970.

*Over half Spanish heritage

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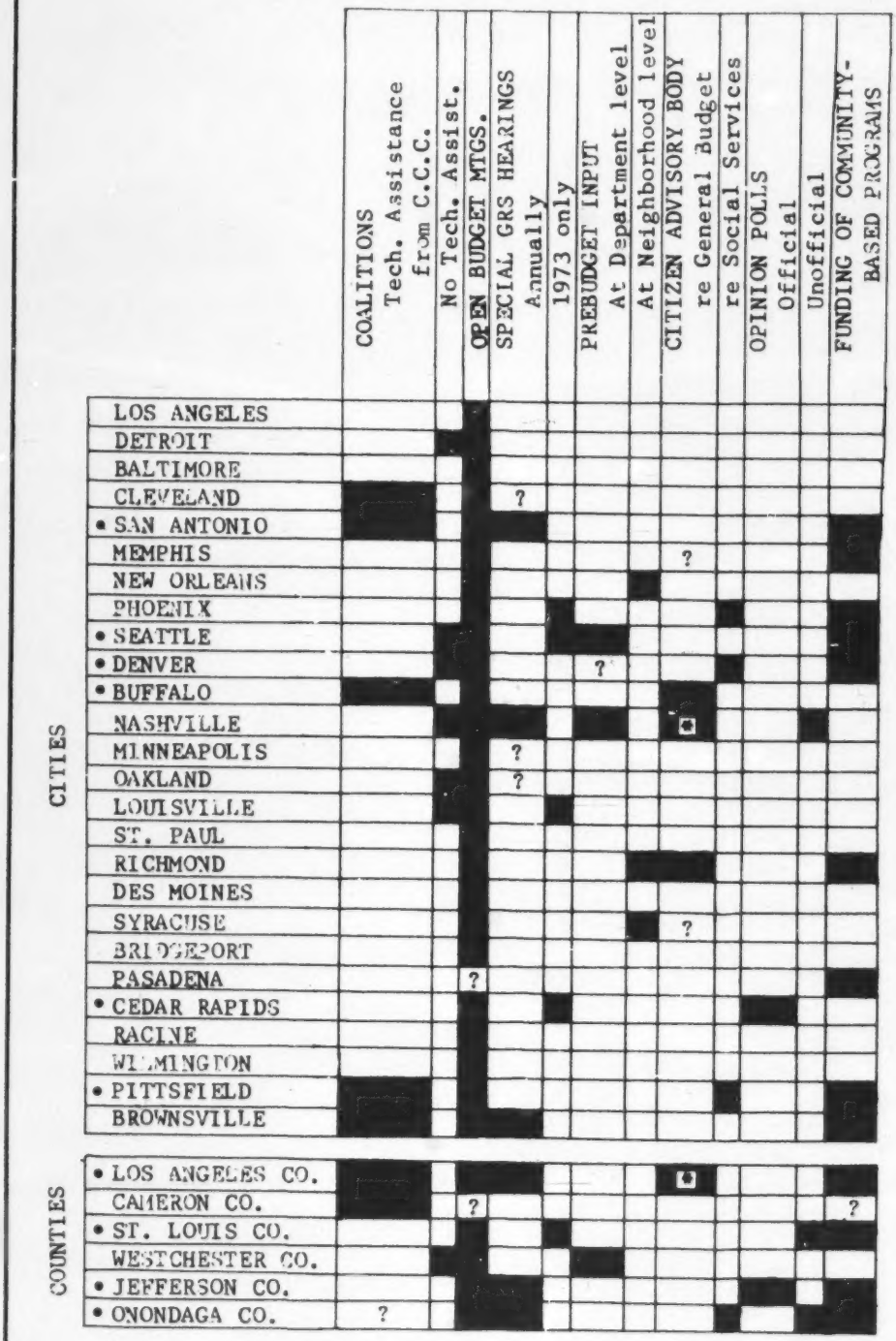
CHART II -- CITIZEN INVOLVEMENT AND IMPACT



• -- Citizen Impact Visible

? -- Status Uncertain

• -- Planned

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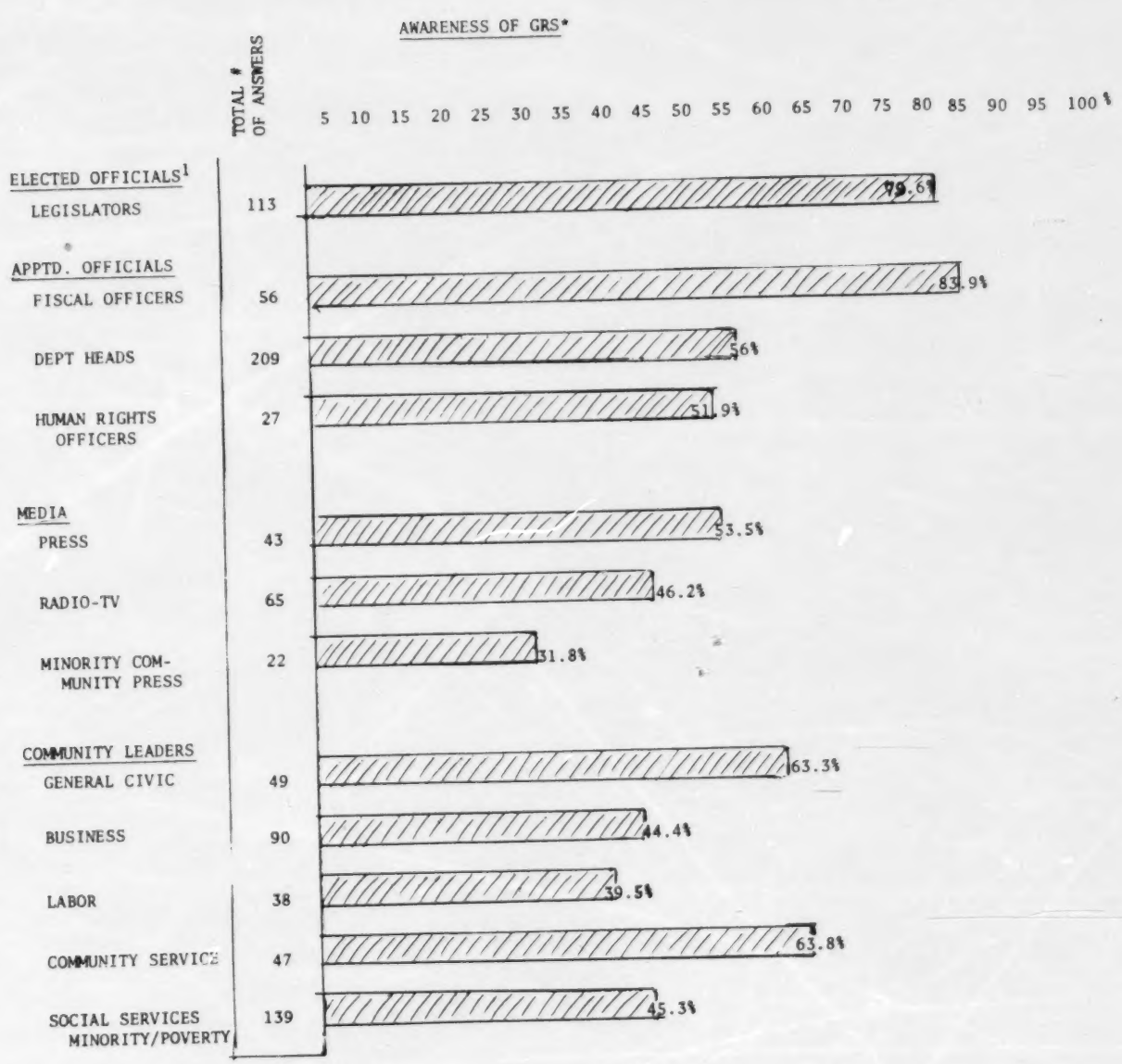
CHART III



[1]Mayors, ex-mayors, county executives were not tabulated; assumed knowledgeable

*Respondent was considered "aware" if he or she had a generally accurate idea of how GRS was being used or if he could name one or more programs being financed with GRS money. Few respondents other than fiscal officers had detailed knowledge.

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LITIGATION ON PUBLIC EMPLOYMENT DISCRIMINATION* IN PROJECT SITES

CHART IV

SITE	BROUGHT BY U.S. GOVT. (Dept. of Justice)	BROUGHT BY PRIVATE CITIZENS	RELATION ORS	RELATION GRS
BALTIMORE		Harper v. Mayor of Baltimore, 12/6/71 re fire department		100% GRS allotted to public safety
BRIDGEPORT		Bgpt. Guardian v. Bgpt. Civil Service Comm., re gen'l practices (since settled)		100% GRS allotted to operations & maintenance
BUFFALO	v. Police Dept. 8/14/73 v. Fire Dept. 7/25/74		Administrative complaint submitted on same subject 9/16/74	100% GRS allotted to public safety
CLEVELAND		Shield Club v. Cleveland, 8/72 - re police dept. Headen v. Cleveland, 4/3/73 re fire dept.		over 50% GRS allotted to public safety
DENVER		Bedan v. Bach, re fire dept. (since settled)	Administrative complaint on same subject, 6/18/74	38% GRS allotted to fire dept.
LOS ANGELES	v. Fire. Dept., 8/7/72			over 75% GRS allotted to public safety
LOUISVILLE		Black Police Officers v. Louisville,		over 30% GRS allotted to police dept.
MEMPHIS	v. City of Memphis, 5/16/74 (all city employees except transit)			10% GRS allotted to operations & maintenance. GRS cited in suit
NEW ORLEANS		Watson v. N.O. Fire Dept., 5/1/73 Williams v. N.O., 3/9/73 re police dept.		at least 25% GRS allotted to public safety
OAKLAND		Penn v. Stumpf re police dept. Hardy v. Leonard, 5/2/73 re police dept.	Admin. complaint re fire dept. 7/1/74	100% GRS to public safety
ST PAUL		Warren v. Schlek et. al. re police dept., 3/1/72 (since settled) Fowler v. Schwerzwalder et. al. re fire dept., 12/6/72		over 50% allotted to public safety
WILMINGTON		Private suit re discriminatory firing of garbagemen		25% GRS planned for environmental protection operations maintenance
OTHER ADMINISTRATIVE COMPLAINTS AND/OR LITIGATION				
BALTIMORE		Newark v. Shultz, 4/4/74 charging undercount of minorities; Baltimore added to suit subsequently	case brought specifically against ORS	population undercount affects GRS entitlement

*includes hiring, testing, promotion and related practices

CHART V

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Net Fiscal Effect Categories*

1. New capital expenditures -- Spending for capital projects or the purchase of equipment that, without shared revenue, would either not have occurred at all or would have occurred at least one year later.

2. New or expanded operations -- Operating expenditures initiated or expanded with revenue sharing funds (excluding pay-level and benefit increases classified under #3 below).

3. Increased pay, benefits -- The use of revenue sharing funds for pay and fringe benefit increases which would otherwise not have been authorized, either at all or at the levels approved.

4. Federal aid reduction -- The use of revenue sharing funds to offset actual or anticipated reductions in federal grants-in-aid.

5. Program maintenance (Budget Balancing) -- The allocation of revenue sharing funds to ongoing programs where the alternative course of action, without revenue sharing, would have been to cut existing programs.

6. Tax cut -- The use of revenue sharing to finance ongoing programs where the net result was to free up the jurisdiction's own resources and thereby permit a reduction in tax rates.

7. Tax stabilization -- The use of revenue sharing funds to finance ongoing programs where the result was to avoid an increase in tax rates which would otherwise have been approved.

8. Borrowing avoidance -- Substitution of shared revenue funds for borrowing that would otherwise have been undertaken.

9. Increased fund balances -- Allocation of revenue sharing funds to ongoing programs where the net effect was to increase fund balances.

10. Other -- Effects not reportable under the foregoing categories.

*Courtesy of Richard P. Nathan, Brookings Institution

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CHART VI

SOCIAL SERVICE ALLOCATIONS FOR THE POOR AND AGED

SITE	TOTAL GRS* 1972-1974	1972-1973 PLANNED	1972-1973 % OF TOTAL	1973-1974 PLANNED	1973-1974 % OF TOTAL	1972-1973 ACTUAL AMT. SPENT[2]	1972-1973 % OF TOTAL SPENT	1973-1974 ACTUAL AMT. SPENT[2]	1973-1974 % OF TOTAL SPENT
LOS ANGELES	76,836,705	0	0	0	0	0	0	NA	
DETROIT	89,209,287	0	0	0	0	0	0	NA	
BALTIMORE	57,407,809	0	0	500,000	1.9	0	0	NA	
CLEVELAND	28,075,166	1,795,355[1]	22.4	1,800,000	12.9	0	0	NA	
SAN ANTONIO	20,739,898	NA	0	358,160	3.7	47,735	12.2	NA	
MEMPHIS	26,705,040	NA	0	0	0	0	0	NA	
NEW ORLEANS	39,894,898	NA	0	0	0	0	0	NA	
PHOENIX	19,511,614	0	0	1,178,308	12.4	114,069	1.3	NA	
SEATTLE	20,275,199	0	0	95,000	1.1	0	0	302,576	2.8
DENVER	30,098,844	0	0	205,650	1.6	0	0	540,205	3.5
BUFFALO	16,771,145	0	0	0	0	0	0	NA	
NASHVILLE	17,657,990	123,854[1]	3.2	146,203	1.7	0	0	NA	
MINNEAPOLIS	13,793,538	0	0	200,000	3.1	1,412,508	27.6	231,455	3.6
OAKLAND	11,065,750	0	0	0	0	0	0	NA	
LOUISVILLE	24,035,286	220,000[1]	4.1	0	0	0	0	91,073	.7
ST. PAUL	10,515,087	0	0	0	0	0	0	0	0
RICHMOND	13,847,947	811,000[1]	26.7	400,000	6.4	0	0	926,000	7.2
DES MOINES	5,285,910	0	0	0	0	0	0	NA	
SYRACUSE	6,313,221	0	0	0	0	0	0	0	0
BRIDGEPORT	8,362,931	372,450[1]	20.0	732,520	20.0	0	0	188,703	4.2
PASADENA	2,240,258	4,800[1]	.9	9,400	.9	45,858	4.1	NA	
CEDAR RAPIDS	3,835,053	0	0	100,000	5.1	0	0	0	0
RACINE	2,772,042	0	0	0	0	0	0	NA	
WILMINGTON	5,482,613	0	0	0	0	0	0	0	0
PITTSFIELD	2,713,667	0	0	0	0	0	0	NA	
BROWNSVILLE	2,541,525	0	0	77,397	6.3	0	0	NA	
TOTAL: 26 CITIES	547,948,182	3,327,459[1]		5,802,638		1,620,170		2,280,010**	
(AVE.: 26 CITIES	555,988,423		(3.0)		(2.9)		(1.7)		2.2**
LA COUNTY	207,243,682	0	0	0	0	0	0	NA	
ST. LOUIS CO.	13,927,718	0	0	0	0	100,000	2.6	175,851	1.8
WESTCHESTER CO.	8,209,057	0	0	0	0	0	0	0	0
JEFFERSON CO.	13,834,426	0	0	230,000	4.0	0	0	20,000	.5
ONONDAGA CO.	14,153,879	638,951[1]	8.0	0	0	NA	NA	340,831	4.7
CAMERON CO.	2,322,816	0	0	0	0	0	0	NA	
TOTAL: 6 CO.	259,691,578			230,000		NA		536,682	
(AVE.: 6 CO.			(1.3)		(.7)		NA		(1.2)

[1] based on 6 mos. only in 1973; if all 1972 GRS had been reported, percentages would be much lower.

[2] % of GRS actually appropriated during period; if unallocated GRS had been included, percentages would be much lower.

*Taken from AUR (or PUR if AUR not available) submitted by jurisdiction, earned interest included.

**10 cities.

BEST COPY AVAILABLE

DEPARTMENT OF THE TREASURY
OFFICE OF REVENUE SHARING
1900 PENNSYLVANIA AVE. N.W.
WASHINGTON, D.C. 20226

HAS PAID ITS REVENUE SHARING PAYMENT FOR THE PERIOD BEGINNING

JAN 1, 1973 ENDING JUN 30, 1973

IN THE FOLLOWING MANNER BASED UPON A

TOTAL PAYMENT OF $2,859,600

ACCOUNT NO
08 2 002 009

WILMINGTON CITY
MAYOR
WILMINGTON DELAWARE 19800

(2)

Q.1 How has the availability of revenue sharing funds affected the following requirements of your jurisdiction?

AVOIDED DEBT INCREASE: [✓] NO EFFECT
LESSENED DEBT INCREASE: [ ] TOO SOON TO PREDICT EFFECT

TAXES — In which of the following manners did the availability of Revenue Sharing Funds affect the tax levies of your jurisdiction? Check as many as apply.

ENABLED REDUCING THE RATE OF A MAJOR TAX: [✓] REDUCED AMOUNT OF RATE INCREASE OF A MAJOR TAX
PREVENTED INCREASE IN RATE OF A MAJOR TAX: [ ] NO EFFECT ON TAX LEVELS
PREVENTED ENACTING A NEW MAJOR TAX: [ ] TOO SOON TO PREDICT EFFECT

OPERATING/MAINTENANCE EXPENDITURES

PRIORITY EXPENDITURE CATEGORIES (A)	ACTUAL EXPENDITURES (B)	PERCENT USED FOR MAINTENANCE OR EXISTING SERVICES (C)	PERCENT USED FOR NEW OR EXPANDED SERVICES (D)
SALARIES	$ 2,867,386	100 %	%
ENVIRONMENTAL CTION	$ -	%	%
PORTATION	$ -	%	%
H	$ -	%	%
ATION	$ -	%	%
IES	$ -	%	%
SERVICES AGED & POOR	$ -	%	%
IAL ISTRATION	$ -	%	%
AL PLANNED ING EXPENDITURES	$ 2,867,386		

CAPITAL EXPENDITURES

PURPOSE (E)	ACTUAL EXPENDITURES (F)	PERCENT USED FOR EQUIPMENT (G)	CONSTRUCTION (H)	LAND ACQUISITION (I)	DEBT RETIREMENT (J)
10 MULTI-PURPOSE AND GENERAL GOVT	$ 0	%	%	%	%
11 EDUCATION	$ /	%	%	%	%
12 HEALTH	$ /	%	%	%	%
13 TRANSPORTATION	$ /	%	%	%	%
14 SOCIAL DEVELOPMENT	$ /	%	%	%	%
15 HOUSING & COMMUNITY DEVELOPMENT	$ /	%	%	%	%
16 ECONOMIC DEVELOPMENT	$ /	%	%	%	%
17 ENVIRONMENTAL CONSERVATION	$ /	%	%	%	%
18 PUBLIC SAFETY	$ /	%	%	%	%
19 RECREATION CULTURE	$ /	%	%	%	%
20 OTHER (Specify)	$ /	%	%	%	%
21 OTHER (Specify)	$ /	%	%	%	%
22 OTHER (Specify)	$ /	%	%	%	%
23 TOTAL ACTUAL CAPITAL EXPENDITURES	$ 0				

PUBLIC FUND REPORT

ue Sharing Funds Received to June 30, 1973	$ 2,836,600
st Earned	$ 25,786
Funds Available	$ 2,862,386
ue Expended	$ 2,862,386
ce	$ 0

SIGNATURE OF CHIEF EXECUTIVE OFFICER
Thomas C. Maloney, Mayor
NAME & TITLE PLEASE PRINT
The Morning News-Evening Journal
NAME OF NEWSPAPER
DATE PUBLISHED

YOUR WORK SHEET

(1)

ANNOUNCEMENTS

$ Notices

NEED ARTWORK?—Commercial & Freelance. Call 737-6272 aft. 6 pm

NOT responsible for any bills after June 15, 1973, unless contracted by myself. George W. Addis, 1144 Ridge Road, Claymont, Del.

OLD weathered Barn for sale. To be removed from property. Best offer 3-9766 aft 6

ANIST—Is seek... for star... to musi...

RIL... stre... N... au... and Group... also horses fra... 4030 or 834-4654

SLEEP MART BEDDING CONVERTIBLES AT DISC. PRICES 3614 N. Market St., 764-0500

SWIMMING POOL BOND... Group... Silv... Club. ...

The City of Wilmington plans to expend it's Revenue Sharing Allocation for the Entitlement period beginning January 1, 1973 and ending June 30, 1973 as follows:
Operating/Maintenance
Public Safety $438,980
Environmental Protection $376,268
Recreation $376,268
Financial Administration $42,712
Total $1,254,228
William E. Zimmerman
Finance Director

TRASH REMOVAL ...
RESIDENTIAL COMMERCIAL
G.B.W. SERV. 656-5991
TYPEWRITERS
...PING MACHINES

FORMALS ...all for a...

...APULCO ... days, daily

...ummer. 328-8967.

...ommodi... 27.

...ont af... nd for fa... 2.00

...ed. Bush. or fish. 1 mi. S.

17 Oak &

(3)

PLANS TO EXPEND ITS REVENUE SHARING ALLOCATION FOR THE ENTITLEMENT PERIOD BEGINNING

JUL 1, 1973 AND ENDING JUNE 30, 1974

IN THE FOLLOWING MANNER BASED UPON AN

ESTIMATED TOTAL OF $2,578,163

ACCOUNT NO
08 2 002 009

WILMINGTON CITY
MAYOR
WILMINGTON DELAWARE 19800

...OF REVENUE SHARING
1900 PENNSYLVANIA AVE. N.W.
WASHINGTON, D.C. 20226

EXECUTIVE PROPOSAL Check this block if this plan is based on ... executive proposal

Q.1 How will the availability of revenue sharing funds affect the borrowing requirements of your jurisdiction?

AVOID DEBT INCREASE: [X] NO EFFECT
LESSEN DEBT INCREASE: [ ] TOO SOON TO PREDICT EFFECT

TAXES In which of the following manners is it expected that the availability of Revenue Sharing Funds will affect the tax levies of your jurisdiction? Check as many as apply.

WILL ENABLE REDUCING RATE OF A MAJOR TAX: [X] WILL REDUCE AMOUNT OF RATE INCREASE OF A MAJOR TAX
WILL PREVENT INCREASE IN RATE OF A MAJOR TAX: [ ] NO EFFECT ON TAX LEVELS
WILL PREVENT ENACTING A NEW MAJOR TAX: [ ] TOO SOON TO PREDICT EFFECT

OPERATING/MAINTENANCE EXPENDITURES

PRIORITY EXPENDITURE CATEGORIES (A)	PLANNED EXPENDITURES (B)	PERCENT PLANNED FOR MAINTENANCE OF EXISTING SERVICES (C)	PERCENT PLANNED FOR NEW OR EXPANDED SERVICES (D)
IC SAFETY	$1,289,081.	100 %	%
RONMENTAL TECTION	$ 644,541.	100 %	%
IC SPORTATION	$	%	%
LTH	$	%	%
REATION	$ 515,633.	100 %	%
ANCE	$	%	%
AL SERVICES AGED & POOR	$	%	%
NCIAL INISTRATION	$ 128,908.	100 %	%
AL PLANNED NG EXPENDITURES	$ 2,578,163.		

CAPITAL EXPENDITURES

PURPOSE (E)	PLANNED EXPENDITURES (F)	PERCENT PLANNED FOR EQUIPMENT (G)	CONSTRUCTION (H)	LAND ACQUISITION (I)	DEBT RETIREMENT (J)
10 MULTI-PURPOSE AND GENERAL GOVT	$ 0	%	%	%	%
11 EDUCATION	$ 0	%	%	%	%
12 HEALTH	$ 0	%	%	%	%
13 TRANSPORTATION	$ 0	%	%	%	%
14 SOCIAL DEVELOPMENT	$ 0	%	%	%	%
15 HOUSING & COMMUNITY DEVELOPMENT	$ 0	%	%	%	%
16 ECONOMIC DEVELOPMENT	$ 0	%	%	%	%
17 ENVIRONMENTAL CONSERVATION	$ 0	%	%	%	%
18 PUBLIC SAFETY	$ 0	%	%	%	%
19 RECREATION & CULTURE	$ 0	%	%	%	%
20 OTHER (Specify)	$ 0	%	%	%	%
21 OTHER (Specify)	$ 0	%	%	%	%
22 OTHER (Specify)	$ 0	%	%	%	%
23 TOTAL PLANNED CAPITAL EXPENDITURES	$ 0				

ASSURANCES (Refer to instruction G)

The news media have been advised that a complete copy the report has been published in a local newspaper of general ...ation. I have records documenting the contents of this ort and they are open for public and news media scrutiny.

I assure the Secretary of the Treasury that the statutory ...rooms noted in Part G of the instructions accompanying this ort will be complied with by the recipient government with ...pect to the entitlement funds reported herein.

Thomas C. Maloney — September 13, 1973
SIGNATURE OF CHIEF EXECUTIVE OFFICER — DATE

Thomas C. Maloney, Mayor
NAME & TITLE — PLEASE PRINT

The Morning News-Evening Journal
NAME OF NEWSPAPER

September 15, 1973
DATE PUBLISHED

ORS FORM NO. 3220 AUG. 1973

THIS IS YOUR COPY OF YOUR REPORT - PLEASE RETAIN

OMB NO. 048R0506

GENERAL REVENUE SHARING

ACTUAL USE REPORT

General Revenue Sharing provides federal funds directly to local and state governments. Your government must publish this report advising you how these funds have been used or obligated during the year from July 1 1973 thru June 30, 1974. The ... is to inform you of your government's priorities and to encourage your participation in decisions on how future funds should be spent.

CATEGORIES (A)	ACTUAL EXPENDITURES CAPITAL (B)	ACTUAL EXPENDITURES OPERATING/MAINTENANCE (C)
1 PUBLIC SAFETY	$	$ 1,456,606
2 ENVIRONMENTAL PROTECTION	$	$ 512,834
3 PUBLIC TRANSPORTATION	$	$
4 HEALTH	$	$
5 RECREATION	$	$ 403,412
6 LIBRARIES	$	$
7 SOCIAL SERVICES FOR AGED OR POOR	$	$
8 FINANCIAL ADMINISTRATION	$	$ 227,375
9 MULTIPURPOSE AND GENERAL GOVT	$	
10 EDUCATION	$	
11 SOCIAL DEVELOPMENT	$	
12 HOUSING & COMMUNITY DEVELOPMENT	$	
13 ECONOMIC DEVELOPMENT	$	
14 OTHER (Specify)	$	
15 TOTALS	$	$ 2,630,227

THE GOVERNMENT OF
WILMINGTON
has received General Revenue Sharing payments totaling
2,560,734
during the period from July 1, 1973 thru June 30, 1974
ACCOUNT NO 08 2 002 009

(4)

TRUST FUND REPORT

(1) Balance as of June 30, 1973	$ 0
(2) Revenue Sharing Funds Received from July 1, 1973 through June 30, 1974	$ 2560734
(3) Interest Earned	$ 25,786
(4) Total Funds Available	$ 2,586,520
(5) Amount Expended	$ 2,586,520
(6) Balance as of June 30, 1974	$ 0

(7) The news media have been advised that a complete copy of this report has been published in a local newspaper of general circulation. I have records documenting the contents of this report and they are open for public scrutiny.

Signature of Chief Executive Officer — Date

Name and Title

IMPORTANT: THE PAPER HAD OF THIS PAGE MUST BE PUBLISHED (SEE INSTRUCTION H)
It is required that the lower half of this page be published

(8) How the entitlement funds received from the Revenue Sharing Trust Fund were or will be expended or obligated during the reporting period:

- [ ] Reduced taxes
- [ ] Prevented tax increases
- [X] Funded entitlement projects
- [ ] Reduced other revenues used for entitlement projects
- [ ] Funded capital projects
- [ ] Reduced debt

(Check as many as apply)

(9) Please refer to instruction H

The ... report was published in the following ... on the stated date.

Name of Newspaper

Date Published

DO NOT WRITE IN THIS SPACE FOR REVENUE SHARING USE ONLY

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

THIS REPORT MUST BE RECEIVED BEFORE SEPTEMBER 1, 1974 BY:
OFFICE OF REVENUE SHARING
1900 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20226

ORS FORM NO. 3231 MAR 1974

WORK SHEET

WORK SHEET

36

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